

AMENDED IN ASSEMBLY JULY 6, 1999

AMENDED IN SENATE MAY 28, 1999

SENATE BILL

No. 584

**Introduced by Senator Chesbro and Assembly Member
Gallegos**

February 23, 1999

An act to amend Sections 124715, 124725, and 124735 of, to add Sections 124570, 124571, 124745, and 124746 to, and to repeal and add Sections 124555 and 124710 of, the Health and Safety Code, relating to health care, *and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

SB 584, as amended, Chesbro. Primary health care services: rural areas.

Existing law requires the department to contract and cooperate with local government agencies and voluntary nonprofit organizations in connection with the development of local health programs for seasonal agricultural and migratory workers.

Existing law also requires the department to provide grants or loans for the operation of health services development projects in underserved rural areas.

This bill would enact provisions applicable to both of these programs that would require grants for up to 3 years to be made by the department to eligible, private, nonprofit, community-based primary care clinics for purposes of implementing these programs.

The bill would establish payment procedures and grantee reporting requirements applicable to both programs.

The bill would provide that these provisions would become operative on July 1, 2000.

The bill would appropriate \$1,653,000 from the Unallocated Account in the Cigarette and Tobacco Products Surtax Fund to the State Department of Health Services for expanded access to primary care clinics.

Vote: majority. Appropriation: ~~no~~ yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 124555 of the Health and Safety
2 Code is repealed.

3 SEC. 2. Section 124555 is added to the Health and
4 Safety Code, to read:

5 124555. The department shall grant funds, for up to
6 three years per grant, to eligible, private, nonprofit,
7 community-based primary care clinics for the purpose of
8 establishing and maintaining a health services program
9 for seasonal agricultural and migratory workers and their
10 families. ~~The department shall, in the case of~~
11 ~~multiple-year grant awards, annually amend agreements~~
12 ~~to reflect changes in budget amount and the scope of~~
13 ~~work, and any other changes as necessary.~~ families.

14 SEC. 3. Section 124570 is added to the Health and
15 Safety Code, to read:

16 124570. (a) Notwithstanding any other provision of
17 law, the department shall, *to the extent that funds are*
18 *available*, provide to a grantee semiannual prospective
19 payments during a 12-month fiscal year. ~~The department~~
20 ~~shall, within 30 days of the enactment of the annual~~
21 ~~Budget Act, authorize payment to grantees of 50 percent~~
22 ~~of their annual grant award. On January 1 of the fiscal~~
23 ~~year, the department shall, provided it has received a~~
24 ~~grantee's first quarter progress report, authorize~~
25 ~~payment of the remaining 50 percent of the grantee's~~
26 ~~grant award for that fiscal year.~~

~~(b) Any payment authorized in accordance with subdivision (a) and Section 124571 that is not received within 30 days of the date of its required authorization shall be delinquent. The department shall pay a grantee interest on any delinquent payment at an accrued rate of 0.25 percent per day- fiscal year.~~

(b) An amount equal to not more than 50 percent of the total grant shall be processed for payment to the grantee following the enactment of the annual Budget Act, and upon formal execution of the grant by the state. The processing by the department of the grantee's first semiannual prospective payment shall also be contingent upon all of the following:

(1) A written request for payment from the grantee.

(2) Except as provided in this paragraph, the third quarter progress budget and expenditure report. If the grantee is currently under the first fiscal year of a three-year multiple grant, this requirement shall not apply as a condition for the grantee's first semiannual prospective payment, unless the grantee is a continuing grantee from the prior three-year multiple year of the grant. If the grant is currently under the second or third fiscal year of a three-year multiple-year grant, the department's processing of the first semiannual prospective payment for the current grant year shall be contingent upon the grantee's timely and accurate submission, and the department's approval of, the third quarter progress and budget expenditure report from the previous grant year.

(3) If the grantee is currently under the second or third fiscal year of a three-year, multiple-year grant, the grantee's timely and accurate submission of, and the department's approval of, the fourth quarterly progress and budget expenditure report, and annual reconciliation report, from the prior fiscal year.

(c) Based upon the grantee's timely and accurate submission of the first quarterly progress and budget expenditure report from the grant year, and satisfactory performance under the grant, the processing of a second semiannual prospective payment of not more than 40

1 percent of the total grant shall be processed by the
2 department for payment to a grantee no earlier than
3 January 1 during the term of the grant year. The
4 processing of the grantee's second semiannual
5 prospective payment by the department shall be
6 contingent upon both of the following:

7 (1) A written request for payment from the grantee.

8 (2) The grantee's timely and accurate submission, and
9 the department's approval, of the first quarterly progress
10 and budget expenditure report.

11 (d) An amount equal to 10 percent of the total grant
12 award shall be retained by the department, pending
13 satisfactory submission by the grantee of all quarterly
14 progress and budget expenditure reports and an annual
15 reconciliation report for the grant year. Payment of the
16 withheld 10 percent shall be processed by the
17 department for payment to the grantee upon the
18 grantee's satisfactory completion and submission, and the
19 department's approval, of these reports.

20 SEC. 4. Section 124571 is added to the Health and
21 Safety Code, to read:

22 124571. Every grantee shall submit quarterly progress
23 reports and a final expenditure reconciliation report at
24 the end of each fiscal year. As required by Section 124570,
25 submission of the first quarterly progress report shall be
26 a condition of receipt for the remaining 50 percent of a
27 grantee's grant award for a fiscal year. In the case of a
28 multiple-year grantee, receipt of grant funds during the
29 second or third year of a grant shall be contingent upon
30 receipt of the quarterly progress reports and the final
31 expenditure reconciliation report for the prior fiscal year.

32 SEC. 5. Section 124710 of the Health and Safety Code
33 is repealed.

34 SEC. 6. Section 124710 is added to the Health and
35 Safety Code, to read:

36 124710. The department shall grant funds, for up to
37 three years per grant, to eligible, private, nonprofit,
38 community-based primary care clinics for the purpose of
39 establishing and maintaining rural health services and
40 development projects as specified under this article. ~~The~~

~~department shall, in the case of multiple-year grant awards, annually amend agreements to reflect changes in budget amount and the scope of work, and any other changes as necessary.~~

SEC. 7. Section 124715 of the Health and Safety Code is amended to read:

124715. The department may assist community agencies to develop grant proposals.

SEC. 8. Section 124725 of the Health and Safety Code is amended to read:

124725. Project funding shall be for up to three years. Continuation of funding for a project shall depend on progress toward achieving the goals of the project. The director shall make the final decision to continue or discontinue a project. In evaluating the success of a project, the director shall take into account the number of additional persons who are receiving quality health care as a result of the operation of the project and the improvement in health status of the population served by the project.

SEC. 9. Section 124735 of the Health and Safety Code is amended to read:

124735. Each grant for a project shall require the grantee agency to seek third-party reimbursements, including Medi-Cal and private insurance, for any person served under the grant. Each grant shall require the grantee agency to provide reports to the department on reimbursements and may require the grantee agencies to contribute all or part of the proceeds of reimbursements to the department for deposit in the State Treasury in accordance with regulations to be adopted by the department after the regulations are approved by the Director of Finance.

SEC. 10. Section 124745 is added to the Health and Safety Code, to read:

124745. (a) Notwithstanding any other provision of law, the department shall, *to the extent that funds are available*, provide to a grantee semiannual prospective payments during a 12-month ~~fiscal year. The department shall, within 30 days of the enactment of the annual~~

~~Budget Act, authorize payment to grantees of 50 percent of their annual grant award. On January 1 of the fiscal year, the department shall, provided it has received a grantee's first quarter progress report, authorize payment of the remaining 50 percent of the grantee's grant award for that fiscal year.~~

~~(b) Any payment authorized in accordance with subdivision (a) and Section 124746 that is not received within 30 days of the date of its required authorization shall be delinquent. The department shall pay a grantee interest on any delinquent payment at an accrued rate of 0.25 percent per day. *fiscal year.*~~

(b) An amount equal to not more than 50 percent of the total grant shall be processed for payment to the grantee following the enactment of the annual Budget Act, and upon formal execution of the grant by the state. The processing by the department of the grantee's first semiannual prospective payment shall also be contingent upon all of the following:

(1) A written request for payment from the grantee.

(2) Except as provided in this paragraph, the third quarter progress budget and expenditure report. If the grantee is currently under the first fiscal year of a three-year multiple grant, this requirement shall not apply as a condition for the grantee's first semiannual prospective payment. If the grant is currently under the second or third fiscal year of a three-year multiple-year grant, the department's processing of the first semiannual prospective payment for the current grant year shall be contingent upon the grantee's timely and accurate submission, and the department's approval of, the third quarter progress and budget expenditure report from the previous grant year.

(3) If the grantee is currently under the second or third fiscal year of a three-year, multiple-year grant, the grantee's timely and accurate submission of, and the department's approval of, the fourth quarterly progress and budget expenditure report, and annual reconciliation report, from the prior fiscal year.

1 (c) Based upon the grantee's timely and accurate
2 submission of the first quarterly progress and budget
3 expenditure report from the grant year, and satisfactory
4 performance under the grant, the processing of a second
5 semiannual prospective payment of not more than 40
6 percent of the total grant shall be processed by the
7 department for payment to a grantee no earlier than
8 January 1 during the term of the grant year. The
9 processing of the grantee's second semiannual
10 prospective payment by the department shall be
11 contingent upon both of the following:

12 (1) A written request for payment from the grantee.

13 (2) The grantee's timely and accurate submission, and
14 the department's approval, of the first quarterly progress
15 and budget expenditure report.

16 (d) An amount equal to 10 percent of the total grant
17 award shall be retained by the department, pending
18 satisfactory submission by the grantee of all quarterly
19 progress and budget expenditure reports and an annual
20 reconciliation report for the grant year. Payment of the
21 withheld 10 percent shall be processed by the
22 department for payment to the grantee upon the
23 grantee's satisfactory completion and submission, and the
24 department's approval, of these reports.

25 SEC. 11. Section 124746 is added to the Health and
26 Safety Code, to read:

27 124746. Every grantee shall submit quarterly progress
28 reports and a final expenditure reconciliation report at
29 the end of each fiscal year. As required by Section 124745,
30 submission of the first quarterly progress report shall be
31 a condition of receipt for the remaining 50 percent of a
32 grantee's grant award for a fiscal year. In the case of a
33 multiple-year grantee, receipt of grant funds during the
34 second or third year of a grant shall be contingent upon
35 receipt of the quarterly progress reports and the final
36 expenditure reconciliation report for the prior fiscal year.

37 SEC. 12. Sections 1 to 11 of this act shall become
38 operative on July 1, 2000.

39 SEC. 13. There is hereby appropriated the sum of one
40 million six hundred fifty-three thousand dollars

1 (\$1,653,000) from the Unallocated Account in the
2 Cigarette and Tobacco Products Surtax Fund to the State
3 Department of Health Services, in augmentation of Item
4 4260-111-0236 of the Budget Act of 1999, for expanded
5 access to primary care clinics.

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